



# INVOICE

Invoice No.: 0616

Date: 1/11/74

Terms: NET CASH

## UNITED STATES TANK CAR CORPORATION

Plaza 600 Building/Penthouse  
Seattle, Washington 98101

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Dolores A. Scherer  
Arthur A. Scherer  
4663 150th Pl. SE  
Bellevue, Washington 98006

RECORDED

JAN 22 1974 - 4 00 PM

STATE COMMERCE COMMISSION

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National Bank of Commerce  
Main Branch  
1100 Second Avenue  
Seattle, Washington

attn: Charlie Pelly

(Registered Owner)

| Operator  |   | Class Type                      | Freight |          | Owner ID No. |
|---|---|---------------------------------|---------|----------|--------------|
| United States Tank Car Corp.<br>Plaza 600 Building/Penthouse<br>Seattle, Washington 98101   |   | 111A—100W—3<br>Lt. Wgt. 68,700# | Prepay  | Collect  | USCX<br>5065 |
|   |   |                                 |         | XX       |              |
| Number  | Equipment Description   |                                 |         | Each     | Total        |
| One   | Type T—105<br>general service utility, twenty thousand<br>gallon rail tankcar features:<br><br>—top and bottom unloading<br>—exterior steam heating coils<br>—exterior fiberglass insulation<br>—exterior tank outer shell<br>—100 ton heavy duty trucks<br>—roller bearing assembly<br>—lining as required for service usage<br>—sloped bottom unloading<br>—A.A.R. approved pressure safety equipment |                                 |         | \$29,500 | \$29,500     |
| This will acknowledge receipt of \$50.00 which purchases<br>one unit of The 1973 Tankcar Management Program, a<br>limited partnership |   |                                 |         |          |              |



## SECURITY AGREEMENT

### Consumer Goods, Fixtures or Equipment

The undersigned (hereinafter called "Borrower") hereby grants to The National Bank of Commerce of Seattle at its Main Br  
1100 Second Avenue Seattle, Washington, (hereinafter called "B

(STREET ADDRESS)

a security interest in the following described property (hereinafter called "Collateral"):

One (1) 20,000 gallon General Service Utility Railroad Tank Car, USCX 5065  
Class Type 111A-100W-3, Type T-105

7376

together with all parts, accessories, repairs, improvements and accessions thereto and substitutions and replacements therefor at any time hereafter made or acquired; and

All property of every kind and description in which the Borrower has or may acquire any interest now or hereafter at any time in the possession or control of the Bank at any of its Branches for any reason including, without limitation, property delivered to the Bank as collateral for safekeeping or for collection or exchange for other property, and all dividends and distributions on and other rights in connection with such property, and

All proceeds of the foregoing,  
to secure payment to the Bank of all notes of Borrower concurrently herewith, heretofore or hereafter delivered to or purchased or otherwise acquired by the Bank, and all other liabilities and indebtedness of Borrower to the Bank, at any of its Branches, due or to become due, direct or indirect, absolute or contingent, joint or several, howsoever and wheresoever created, arising or evidenced, now existing or hereafter at any time created, arising or incurred (hereinafter called "Secured Obligations"). Nothing herein contained shall be construed as obligating the Bank to make any future loans or advances.

BORROWER WARRANTS, REPRESENTS AND AGREES THAT:

#### USE

1. The Collateral is used or bought for use primarily for:  
(check one)

- ☐ Personal, family or household purposes  
☐ Farming operations  
☒ Business use

and if checked here ☐, some or all of the Collateral is being acquired with the proceeds of the loan or advance made on or about the date hereof, which will be used for such purpose. Borrower hereby authorizes Bank to disburse such proceeds to the seller or sellers of the Collateral.

#### TITLE

2. Borrower is over twenty-one years of age, and has or will acquire title to and will at all times keep the Collateral free of all liens and encumbrances, except the Security Interest created hereby, and has full power and authority to execute this Security Agreement, to perform Borrower's obligations hereunder, and to subject the Collateral to the Security Interest created hereby. No financing statement covering all or any part of the Collateral, except any which may have been filed by the Bank, is on file in any public office. Any certificate of title existing on any of the Collateral will be endorsed and delivered to Bank.

#### LOCATION OF COLLATERAL

3. The Collateral (except any thereof which Borrower, prior to the execution hereof, shall have advised Bank in writing is equipment of a type normally used in more than one state) will be kept at the address of Borrower's residence or business set forth below, and will not be removed therefrom unless, prior to any such removal, Borrower has given written notice to Bank of the location or locations to which Borrower desires to remove the Collateral and Bank has given its written consent to such removal.

4. If any of the Collateral is equipment of a type normally used in more than one state (whether or not actually so used), Borrower will contemporaneously herewith furnish the Bank a list of the states wherein such equipment is or will be used, and hereafter will notify the Bank in writing (i) of any other states in which the equipment is so used, and (ii) of any change in the location of Borrower's chief place of business.

#### LOCATION OF BUSINESS

5. If any of the Collateral is bought or used primarily for business use, Borrower's chief place of business is:

Penthouse, Plaza 600 Building

(NUMBER AND STREET)

Seattle

(CITY)

King

(COUNTY)

Washington 98

(STATE)

(if none, write "none"), or if left blank, is the address of Borrower set forth at the end of this agreement?

#### FIXTURES

6. If the Collateral is to be or has been attached to real estate, description of said real estate is as follows:

and the name of the record owner is \_\_\_\_\_

Borrower will on demand of Bank furnish Bank with a waiver or waivers signed by all persons having an interest in the real estate of any interest in the Collateral which is prior to the Bank's interest.

## PERFECTION

7. Borrower will at any time or times hereafter execute such financing statements and other instruments and perform such acts as the Bank may request to establish and maintain a valid Security Interest in the Collateral, all at Borrower's expense, including costs of record searches, filing and recording.

## DISPOSITION

8. Borrower will not sell, transfer, lease, or otherwise dispose of the Collateral, or attempt to offer to do any of the foregoing, without the prior written consent of the Bank, and unless the Proceeds of any such sale, transfer, lease, or other disposition are paid directly to the Bank. No provision contained in this Agreement shall be construed to authorize any such sale, transfer, lease or other disposition of the Collateral except on the conditions contained in this paragraph.

## INSURANCE AND TAXES

9. Borrower will keep the Collateral in good condition and insured against such risks, in such form and in such amounts as Bank may request, and with insurance companies satisfactory to Bank. All policies of insurance shall have endorsed thereon Bank's standard loss payable clause and/or such other endorsements as Bank may from time to time request. Borrower will promptly provide Bank with evidence of such insurance and deliver said policies to Bank at its request. Bank is hereby appointed Borrower's attorney-in-fact to adjust, settle and cancel, in its sole discretion, such insurance and endorse any drafts or checks payable to Borrower by reason of insurance against damage or loss affecting the Collateral. Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement or upon any note or notes evidencing the Secured Obligations.

## BANK'S RIGHT TO PAY INSURANCE, ETC.

10. Upon default by Borrower in any of the foregoing agreements, the Bank may, but shall in no event be obligated to (i) effect such insurance and repairs and pay the premiums therefor and the costs thereof, (ii) pay and discharge any taxes, liens and encumbrances on the Collateral and (iii) pay for the maintenance and preservation of the Collateral. All sums so advanced or paid by the Bank shall be payable by Borrower on demand with interest at the maximum rate allowed by law and shall be a part of the Secured Obligations.

## USE AND INSPECTION

11. Borrower will not use or permit use of the Collateral in violation of any statute, ordinance, or state or federal regulation; and Bank may examine and inspect the Collateral at any time, wherever located.

## DEFAULT

12. Time is of the essence in this agreement and the occurrence of any of the following events shall constitute a Default: (a) failure of Borrower, or of any co-maker, indorser, surety or guarantor to pay when due any amount payable under any of the Secured Obligations; (b) failure to perform any agreement of Borrower contained herein; (c) any statement, representation, or warranty of Borrower made herein or at any time furnished to the Bank is untrue in any respect as of the date made; (d) entry of any judgment

against Borrower; (e) appointment of a receiver for, loss, substantial damage to, destruction, theft, sale, or encumbrance to or of any part of the Collateral, or the making of any levy, seizure, or attachment thereon; (f) Borrower becomes insolvent or unable to pay its debts as they mature or makes an assignment for the benefit of its creditors or any proceeding is commenced by or against Borrower alleging that it is insolvent or unable to pay its debts as they mature; (g) death of any Borrower who is a natural person or of any partner of any Borrower which is a partnership; (h) liquidation, consolidation, or merger, or transfer of a substantial part of the property of any Borrower which is a corporation or a partnership; (i) a change in the condition or affairs (financial or otherwise) of Borrower any co-maker, indorser, surety or guarantor of any of the Secured Obligations as in the opinion of the Bank impairs the Bank's security or increases its risk; or (j) the Bank deems itself insecure for any reason whatsoever.

13. Whenever a Default shall exist, the Bank may, at its option at any time thereafter and without demand or notice, declare all or any part of the Secured Obligations immediately due and payable, and the Bank may exercise, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or other applicable law.

14. Borrower agrees, in the event of Default, to assemble and make available to the Bank at a place or places acceptable to Bank, to pay all costs of the Bank, including reasonable attorneys' fees and expenses, in the collection of any of the Secured Obligations and the enforcement of any of the Bank's rights. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least five (5) days before such disposition, postage prepaid, addressed to the Borrower at the address shown below.

## GENERAL

15. No delay or failure by the Bank in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise thereof or the exercise of any other right or remedy. Bank shall be deemed to have waived any of Bank's rights hereunder or under any other writing signed by Borrower unless such waiver be in writing signed by Bank. All Bank's rights and remedies, whether evidenced hereunder or by any other writing shall be cumulative and may be exercised separately or concurrently. Any demand upon or notice to Borrower that Bank may elect to give shall be effective when deposited in the mails or delivered to a telegraph, wireless or radio company addressed to Borrower at the address shown at the end of this agreement. Demands or notices addressed to Borrower's address at which Bank customarily communicates with Borrower shall also be effective. If at any time or times by assignment or otherwise Bank transfers any obligations and Collateral thereunder such transfer shall carry with it Bank's powers and rights under this agreement with respect to the obligations and Collateral transferred and transferee shall become vested with said powers and rights, whether or not they are specifically referred to in the transfer. This agreement shall be governed by the law of the State of Washington and is intended to have full effect when signed by Borrower and delivered to Bank.

16. This agreement inures to the benefit of the Bank, its successors and assigns, and shall bind (as may be applicable) the respective heirs, personal representatives, successors and assigns of Borrower and if more than one party shall sign this Agreement, the term "Borrower" shall mean all such parties, and each of them, and all such parties shall be jointly and severally obligated hereunder. Words used herein shall take the singular plural number, and such gender, as the number and gender of parties Borrower herein shall require.

Executed and delivered at Seattle, Washington, this 31st day of December, 19 73.

## BORROWER

Arthur A. Scherer and Dolores Scherer

x

Arthur A. Scherer Dolores Scherer  
(NAME OF BORROWER)

x

By:

(AUTHORIZED SIGNATURE)

(TITLE)

Borrower's Residence Address: 4663 150th Place S. E. Bellevue King, Washington  
STREET NUMBER CITY COUNTY

STATE OF WASHINGTON

County of King

On this

31st

December, 19 73

## NOTARIAL ACKNOWLEDGMENT

(Individual or Partnership)

, before me personally appeared Arthur A. Scherer and